

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. P-848
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**PROPOSED DECISION AND ORDER GRANTING PERMIT**

(Issued June 12, 2003)

**APPEARANCES:**

MR. VERLE W. NORRIS, Attorney at Law, 300 West Marion, P.O. Box 256, Corydon, Iowa 50060, appearing on behalf of Interstate Power and Light Company.

MR. CRAIG GRAZIANO, Attorney at Law, 310 Maple Street, Des Moines, Iowa 50319, appearing on behalf of the Iowa Department of Justice, Office of Consumer Advocate.

**STATEMENT OF THE CASE**

On December 13, 2002, Interstate Power and Light Company (IPL) filed a petition for a permit to construct, operate, and maintain a 20-inch diameter steel pipeline approximately 13 miles long for the transportation of natural gas in Cerro Gordo and Hancock Counties, Iowa. (petition for permit; testimony of Mr. House; O'Neal reports). IPL amended its petition on February 28, March 10, and April 7, 2003. (petition for permit). IPL filed a land restoration plan with its petition and amended the plan on February 28 and March 10, 2003. (land restoration plan; testimony of Mr. House). The proposed pipeline will provide natural gas service to

IPL's proposed Power Iowa Energy Center in Cerro Gordo County, Iowa. (petition for permit; O'Neal reports; testimony of Mr. House).

On April 22, 2003, the Utilities Board (Board) assigned this case to the undersigned administrative law judge, who issued an order establishing a procedural schedule, proposing to take official notice, and providing notice of the hearing on April 25, 2003. In that order, the undersigned set June 11, 2003, as the date for the hearing on the petition, and proposed to take official notice of two reports concerning the proposed pipeline prepared by Mr. Jeffrey O'Neal, regulatory engineer for the Board's Safety and Engineering Section, dated March 13 and April 16, 2003.

Mr. Verle W. Norris filed an appearance on May 5, 2003.

IPL filed prepared direct testimony of Mr. James House on May 12, 2003.

The hearing was held on June 11, 2003, in Salon IV at the Holiday Inn, 2101 4<sup>th</sup> Street SW, Mason City, Iowa 50401. Representatives for IPL and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) were connected to the hearing by telephone conference call. Mr. James House, engineer for Alliant Energy Corporate Services, Inc., testified on behalf of IPL. (testimony of Mr. House). Mr. Jeffrey O'Neal, who was also connected to the hearing by telephone conference call, testified on behalf of the Board. Mr. Norman Olk, landowner, testified at the hearing. Mr. Olk did not object to granting the petition and he is not a party to this case. (testimony of Mr. Olk).

### **FINDINGS OF FACT**

1. IPL is a pipeline company within the meaning of Iowa Code § 479.2 (2003). (testimony of Mr. House).

2. On December 13, 2002, IPL filed a petition for a permit to construct, operate, and maintain approximately 13 miles of 20-inch diameter steel pipeline for the transportation of natural gas in Cerro Gordo and Hancock Counties, Iowa. (petition for permit; testimony of Mr. House; O'Neal reports). IPL amended its petition on February 28, March 10, and April 7, 2003. (petition for permit). IPL filed a land restoration plan with its petition, and amended the plan on February 28 and March 10, 2003. (land restoration plan; testimony of Mr. House). The proposed pipeline will have a maximum allowable operating pressure of 1050 psig. (petition for permit; O'Neal 4/16/03 report).

3. The proposed pipeline will follow a route described in Exhibit A and shown on Exhibit B attached to the petition for a permit (as amended). (petition Exhibits A and B). It will begin at the Northern Natural Gas Company and Northern Border Pipeline Company Ventura interconnect facility in Hancock County west of Ventura, Iowa, then run in a generally southeasterly and easterly direction to IPL's proposed Power Iowa Energy Center in Cerro Gordo County, Iowa. (petition for permit; O'Neal reports; testimony of Mr. House). The proposed pipeline will provide natural gas service to the Power Iowa Energy Center. (petition for permit; O'Neal reports; testimony of Mr. House).

4. IPL caused notice of the hearing to be published in Hancock County in the Garner Leader, a newspaper of general circulation in the county, on May 14, 2003, and May 21, 2003. (proof of publication). IPL caused notice of the hearing to be published in Cerro Gordo County in The Globe Gazette, a newspaper of general circulation in the county, on May 13, 2003, and May 21, 2003. (proof of publication). IPL filed proof of payment of the costs of publication of these notices as required by Iowa Code § 479.13 and 199 IAC § 10.4. (proof of publication).

5. This pipeline is necessary to provide natural gas service to the Power Iowa Energy Center in Cerro Gordo County, Iowa. (petition for permit; O'Neal reports; testimony of Mr. House). It will also have the capacity to provide an additional source of natural gas to the customers in the Clear Lake and Mason City areas. (testimony of Mr. House). The Power Iowa Energy Center will have the capability of providing an additional 632 MW of capacity to assist IPL in meeting its projected need for intermediate capacity, will enhance reliability of the IPL electric system, will provide additional voltage support for the regional electric transmission grid, and will operate by burning natural gas, a clean burning fuel with fewer emissions, and thus a less negative impact on air quality, than some other fuels available for electric power production. (testimony of Mr. House). Therefore, the proposed pipeline promotes the public convenience and necessity as required by Iowa Code § 479.12. (petition for permit; testimony of Mr. House).

6. The proposed pipeline will comply with the design, construction, and safety requirements of Iowa Code Chapter 479, 199 IAC § 10.12, and 49 C.F.R. Part 192. (petition for permit; testimony of Mr. House; O'Neal reports). No further safety-related terms, conditions, or restrictions need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; testimony of Mr. House; O'Neal reports).

7. The location and route of the proposed pipeline are reasonable and no further terms, conditions, or restrictions regarding them need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; O'Neal reports; testimony of Mr. House).

8. IPL owns property subject to execution within this state, other than pipelines, of a value in excess of \$250,000 as required by Iowa Code § 479.26 and 199 IAC 10.2(1)"d". (testimony of Mr. House; petition exhibit D).

9. No written objections to the petition for a permit were filed and no objectors appeared at the hearing. Although Mr. Norman Olk, who owns land approximately one-fourth mile from the Power Iowa Energy Center, testified at the hearing, he did not object to the petition for a permit. (testimony of Mr. O'Neal, Mr. Olk; Docket P-848 file).

10. IPL has obtained the easements it needed for the proposed pipeline. (petition for permit; testimony of Mr. House).

11. IPL filed a land restoration plan that adequately addresses all land restoration issues contained in Iowa Code § 479.29 and 199 IAC Chapter 9, and

exceeds several requirements. (land restoration plan; testimony of Mr. House; O'Neal 4/16/03 report).

### **CONCLUSIONS OF LAW**

1. The Board has the authority to grant, amend, and renew permits for the construction, operation, and maintenance of pipelines for the intrastate transportation of natural gas. Iowa Code §§ 479.1, 479.4, 479.12, 479.18, and 479.29; 199 IAC Chapters 9 and 10.

2. The Board has jurisdiction over IPL and over the petition for a natural gas pipeline permit it has filed. Iowa Code §§ 479.2, 479.5, 479.6, 479.12, 479.18, and 479.29.

3. The petition of IPL for issuance of a permit for the natural gas pipeline in this docket should be granted. Iowa Code §§ 479.11, 479.12, 479.26, and 479.29; 199 IAC Chapters 9 and 10.

### **IT IS THEREFORE ORDERED:**

1. Official notice is taken of the reports dated March 13 and April 16, 2003, filed in this docket by Mr. Jeffrey O'Neal, regulatory engineer for the Board.

2. Pursuant to Iowa Code Chapter 479, the petition for a pipeline permit filed by IPL in this docket is granted. A permit will be issued if this proposed decision and order becomes the final order of the Board.

3. IPL must comply with the land restoration plan it filed with the petition (as amended) and the provisions of Iowa Code § 479.29 and 199 IAC Chapter 9.

4. IPL must provide timely notice to the Utilities Division before beginning construction of the pipeline, and must also file weekly progress reports during construction of the pipeline with the Utilities Division.

5. After IPL completes construction of the new pipeline, it must file a construction completion report with the Utilities Division. This report must include information regarding any unusual construction problems or occurrences, and a copy of the pressure test procedures used and the results obtained.

6. Within 180 days after completion of the construction of the new pipeline, IPL must file a map that accurately shows the location of the pipeline route as constructed. The map will be a part of the record in this case and will represent the final route as authorized by the permit

7. The Board retains jurisdiction of the subject matter in this docket.

8. Ordinarily, this proposed decision would become the final decision of the Board unless appealed to the Board within 15 days of its issuance. Iowa Code § 17A.15(3); 199 IAC § 7.8(2). However, under appropriate circumstances, it is possible to reduce the time for appeal. Iowa Code § 17A.15(3); 199 IAC 1.3, 7.8(2). IPL has requested expedited treatment of this case so it can proceed with construction. No objections to this petition were filed. The Consumer Advocate and Mr. Olk do not object to a reduced appeal period. There are no unresolved issues that indicate a need for the 15-day appeal period.

Therefore, this proposed decision will become the final decision of the Board unless appealed to the Board within five (5) days of its issuance.

**UTILITIES BOARD**

/s/ Amy L. Christensen  
Amy L. Christensen  
Administrative Law Judge

ATTEST

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 12<sup>th</sup> day of June, 2003.